BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF MONTANA-DAKOTA UTILITIES CO. FOR A GENERAL RATE INCREASE OF $7,507,017 OR 24.36% IN ITS ELECTRIC SERVICE UTILITY RATES	)))))	DOCKET NO. 20004-174-ER-25 (RECORD NO. 17880)

APPEARANCES

For the Applicant, Montana-Dakota Utilities Co. (MDU or the Company):
BRUCE S. ASAY, Counsel, Associated Legal Group, LLC;
Cheyenne, Wyoming

For the Intervenor, Office of Consumer Advocate (OCA):
JADA F. GARAFALO, Counsel, Cheyenne, Wyoming

HEARD BEFORE

Chairman MICHAEL M. ROBINSON
Deputy Chairman CHRISTOPHER B. PETRIE
Commissioner CHRISTOPHER BOSWELL

IVAN H. WILLIAMS and MATTHEW J. JOHNSON, Assistant Secretaries,
Presiding pursuant to a *Special Order* of the Commission

MEMORANDUM OPINION, FINDINGS AND ORDER
(Issued April 30, 2026)

This matter is before the Wyoming Public Service Commission (Commission) upon MDU's June 30, 2025, Application for a general rate increase (Application), the Intervention of OCA (together with MDU, the Parties), and the *Stipulation and Agreement* (*Agreement*) between the Parties dated January 23, 2026.[1]

The Commission, having reviewed the Application, the Parties' filings, the *Agreement* and supporting testimony, the exhibits and evidence received at the public hearing held on February 17, 2026, its files regarding MDU, applicable Wyoming utility law, and otherwise being fully advised in the premises, FINDS and CONCLUDES:

Summary of Decision

1. The Commission approved the *Agreement* resulting in an annual increase in MDU's Wyoming jurisdictional electric revenues of $5,848,453. The proposed rates yield additional annual revenues totaling $5,847,804, or 18.63%, with the difference attributable to rounding in the rate design process. The *Agreement* provides for net electric plant in service of $118,836,301, total

[1] The *Agreement* is attached hereto and incorporated herein as Appendix A.

rate base of $99,444,669, a return on equity (ROE) of 9.70%,[2] capital structure consisting of 51.085% common equity, 45.274% long-term debt, 3.641% short-term debt, a short-term debt cost of 4.858%, a long-term debt cost of 5.06%, resulting in an overall rate of return (ROR) on rate base of 7.423%. The Commission also required the Company to separately account for, and annually report, WYGEN III decommissioning costs recovered from customers on an on-going basis.

Issues

2. The issues as set forth by the Parties are:[3]

Tariff Revisions

(a) Should the Commission approve MDU's proposed Rate 38 and Rate 123?

(b) Should the Commission approve the stipulated withdrawal of proposed Rate 55 and all associated tariff changes related to the proffered rate-rider?

(c) Should the Commission approve the stipulated revisions to Rate 20?

(d) Should the Commission approve the various other revisions to MDU's electric tariff as included in Appendix B to the Application?[4]

Revenue Requirement

(e) Should the Commission approve the stipulated rate increase of $5, 847,804?

(f) Should the Commission approve the stipulated ROE of 9.70%?

Depreciation Rates

(g) Should the Commission approve the stipulated depreciation rates?

Plant Additions

(h) Should the Commission approve the stipulated plant additions, which exclude the Big Horn to Sheridan Transmission Line?

Capital Additions and Customer Growth

(i) Should the Commission approve the stipulated capital additions and alternative customer and volume estimates for the pro forma period?

[2] MDU requested 10.80% in the Application.
[3] The Parties filed a Stipulated Decision Matrix on January 27, 2026.
[4] Exhibit 1-2.

Fuel and Purchased Power

(j) Should the Commission accept the stipulated Fuel and Purchased Power calculation?

Board of Directors Liability Insurance Expense

(k) Should the Commission accept the stipulated reduction of 50% of the Board of Directors Liability Insurance Expense?

Industry Dues

(l) Should the Commission accept the stipulated reduction to Industry Dues O&M Expense and utilization of 2025 allocation factors?

Pension Expense

(m) Should the Commission accept the stipulated treatment of Pension Expense?

Regulatory Commission Expense

(n) Should the Commission accept the stipulated treatment of Rate Case Expense?

Pension and Post Retirement Benefits

(o) Should the Commission accept the stipulated treatment of Pension and Post Retirement Benefits?

WYGEN III Decommissioning

(p) Should the Commission accept the stipulated treatment of decommissioning costs associated with the WYGEN III coal-fired electric generation facility?

Course of Proceedings

3. On June 30, 2025, MDU filed this Application, requesting Commission authority to revise the Company's tariffs and implement an overall rate increase of $7,507,017 or 24.36%.

4. On July 23, 2025, the Commission issued a *Suspension Order* suspending the effective date of the Application for the initial statutory period. Wyo. Stat. § 37-3-106(c).

5. On July 24, 2025, the Commission issued a *Notice of Application* (*Notice*) setting an intervention deadline of August 22, 2025. Newspapers throughout MDU's service territory published the *Notice*. The OCA filed a timely *Notice of Intervention* and requested a hearing.

6. On September 9, 2025, the Commission issued a *Special Order Authorizing One Commissioner and/or Presiding Officer to Conduct Public Hearing*.

7. On September 9, 2025, the Commission issued an *Order Granting Petition for Protective Order* in response to MDU's *Petition for Approval of Protective Order*, filed August 20, 2025. OCA executed an *Exhibit A* to the *Protective Order* so its consultants, Christopher C. Walters; Adrienne J. Follett; and David J. Garrett, could access confidential information.

8. On October 2, 2025, the Commission issued a *Scheduling Order* establishing the procedural schedule and setting a public hearing to commence on February 17, 2026.

9. On November 25, 2025, the OCA filed the direct testimonies of Justin J. Ballard, Garrett S. Dietz, Christopher C. Walters, and David J. Garrett.

10. On December 1, 2025, the Commission issued a *Notice and Order Setting Public Comment Hearing* setting a public comment hearing commencing on January 14, 2026, pursuant to the Wyoming Administrative Procedure Act (WAPA) and the Commission Rules.

11. On December 29, 2025, the Commission issued an *Amended Scheduling Order* amending the deadline for certain discovery and exhibit filings based upon the request of the Parties.

12. On January 14, 2026, the Commission held a Public Comment Hearing in Sheridan, Wyoming. At this Public Comment Hearing, the Commission received comments from 15 customers. They universally expressed concern with the size of the proposed increase.

13. Throughout the course of the proceedings, the Commission received an additional 19 written customer comments. These comments expressed concern and opposition to the size of the proposed increase and opposition to the Big Horn to Sheridan Transmission Line.

14. On January 21, 2026, the Commission issued a *Notice and Order Setting Public Hearing*, setting a public hearing commencing on February 17, 2026.

15. On January 23, 2026, the Parties filed the *Agreement*.

16. On January 27, 2026, the Parties filed their prehearing reports, exhibits, and exhibit indexes pursuant to the *Scheduling Order*. MDU filed an exhibit index, a Stipulated Decision Matrix, a Summary of Remaining Issues of Fact and Law, corrected Joint Exhibits E and F, and stipulation testimonies.

17. On January 30, 2026, the Commission issued a second *Suspension Order* suspending the effective date of the Application for the remaining statutory period. Wyo. Stat. § 37-3-106(c).

18. On February 2, 2026, OCA filed a Summary of Remaining Issues of Fact and Law and stipulation testimonies.

19. On February 3, 2026, the Commission held a Prehearing Conference. All Parties attended.

20. On February 17, 2026, OCA filed Joint Exhibits A through H.

21. On February 17, 2026, the Presiding Officer held an exhibit conference and received the following exhibits into evidence:

- MDU Exhibit Nos. 1 through 14, with subparts (Tr., p. 6);
- OCA Exhibit Nos. 200 through 207 (Tr., p. 7); and
- Joint Exhibit A through H (Tr., p. 6).

22. On March 2, 2026, the Commission issued a Notice of Public Deliberations which set a deliberation date of March 12, 2026.

23. On March 12, 2026, the Commission held public deliberations pursuant to Wyoming Statute § 16-4-403(a). The Commission approved the *Agreement* resulting in an annual increase in MDU's Wyoming jurisdictional electric revenues of $5,847,804, or 18.63%; a ROE of 9.70%; and an overall return on rate base of 7.423%. The Commission also required the Company to separately account for, and annually report, WYGEN III decommissioning costs recovered from customers on an on-going basis. The Commission directed the preparation of an order consistent with its decision.

Application, OCA position and *Agreement*

24. MDU requested authority to implement new Rates 38 and 123. Rate 38 is an Interruptible Large Power Demand Response Rate. This rate is available to customers with 500 kilowatts (kW) or more of demand and with at least 75% of their load subject to interruption for up to 100 hours annually. (Ex. 12, p. 4). The Company stated the proposed rate gives it flexibility to serve load when reaching peak supply conditions while giving customers the benefit of bill credits in exchange for service interruptions. (Ex. 12, p. 6). Rate 123 is an optional billing arrangement allowing customers with multiple premises to consolidate billings under one account. (Ex. 12, p. 12). OCA did not oppose either of these proposed rates. (Ex. 201, pp. 14; 31).

25. MDU also requested authority to implement new Rate 55. Rate 55 is a Reliability and Safety Infrastructure Rider designed to recover new or modified transmission-level reliability projects, replacement of pre-1985 underground distribution cables, and wildfire mitigation related upgrades. (Ex. 9, pp. 25-26). OCA opposed Rate 55. Specifically, OCA stated it is not prudent and argued the proposed reliability and safety measures the rider seeks to achieve are better accomplished through the normal course of business. OCA further argued the Company's reliability metrics do not demonstrate an urgent need to accelerate what should otherwise be ongoing reliability investment work. OCA also noted the lack of a critical safety risk which might

otherwise support the need for the rider. (Ex. 201, p. 17). In the *Agreement*, MDU withdrew the proposal and all related tariff changes. (Joint Ex. A, at 14).

26. MDU also requested authority to implement a new non-metered service provision to Rate 20. Rate 20 is the Small General Electric Service Rate. Under the proposal, the Company would bill a customer for a predetermined level of energy based upon the operating characteristics of that customer's equipment in instances where meter installation may not be warranted. (Ex. 12, p. 18). OCA stated the explanation of the terms and conditions required to make use of the non-metered service is not sufficient. OCA argued there is no explanation or insight regarding how the Company calculates the predetermined energy usage. (Ex. 201, pp. 12-13). In the *Agreement*, the Parties reached consensus on language to clarify the non-metered option. (Joint Ex. A, at 13). Specifically, the Parties agreed the predetermined energy usage shall be the maximum stated nameplate output of the equipment served, and equipment with usage greater than 250 kWh per month will require an installed meter. (Joint Exhibit H, W.P.S.C. Tariff No. 2 Original Sheet No. 20.2 Page 3 of 3).

27. MDU also requested authority to implement various other tariff revisions. (Ex. 1-2, *passim*). OCA did not take issue with these proposed tariff revisions. (Ex. 201, pp. 5-15). In the *Agreement*, the Parties reached consensus on various tariff revisions reflecting the terms of the *Agreement* as a whole. (Joint Ex. A, at 13-15).

Revenue Requirement

28 MDU requested an overall rate increase of $7,507,017, or 24.36%, based upon a test year ending December 31, 2024, adjusted for known and measurable changes through December 31, 2025. (Ex. 1, p. 4). OCA recommended an overall increase of $4,867,387. (Ex. 201, p. 38). In the *Agreement*, the Parties settled upon an overall increase of $5,848,453 though the stipulated rates produced $5,847,804, or 18.63%, in additional revenues, with the difference being attributable to rounding in the rate design process. (Joint Ex. A., at 5). The components of the stipulated rate increase are further discussed below.

29. MDU initially proposed an overall ROR of 7.985%. This amount was based upon a requested ROE of 10.80% and a capital structure consisting of: 45.274% long-term debt, at a cost of 5.060%; 3.641% short-term debt, at a cost of 4.858%; and 51.085% common equity. (Ex. 3, pp. 2-3). OCA proposed an overall ROR of 7.321% based upon a proposed ROE of 9.5% while accepting the Company's proposed capital structure and debt cost components. (Ex. 200, pp. 12-13). In the *Agreement*, the Parties settled upon an overall ROR of 7.423% based upon a stipulated ROE of 9.70% and the Company's proposed capital structure and debt cost components. (Joint Ex. A, at 10).

Depreciation

30. MDU proposed a pro-forma increase in depreciation expense of $1,500,632 based upon depreciation studies performed by Concentric Advisors. This proposed increase included $101,461 in decommissioning expense associated with the WYGEN III Power Plant. (Ex. 9, pp. 16-17). This decommissioning expense is further addressed below. OCA proposed adjustments for

nine asset accounts based upon an estimate of longer service lives and lower negative net salvage rates developed by Resolve Utility Consulting. (Ex. 203, p. 6). In the *Agreement*, the Parties settled upon the use of Concentric Advisors' proposed depreciation rates with the exception of Accounts 362 (Station Equipment), 364 (Poles, Towers & Fixtures), and 365 (Overhead Conductors & Devices). For those accounts, the Parties agreed to use the rates proposed by OCA. (Joint Ex. A, at 7).

WYGEN III Decommissioning Expense

31. MDU stated it did not previously include any decommissioning expense associated with the WYGEN III coal-fired electric generation facility. Anticipating the plant's retirement in 2060, the Company included decommissioning expense based upon a weighted average estimated cost of decommissioning two of the Company's plants located outside Wyoming. The Company proposed to amortize that estimated cost over the remaining life of WYGEN III. The Company stated it expects to conduct a WYGEN III-specific decommissioning study in the future. (Ex. 9, pp. 16-17). OCA expressed concern with the lack of a WYGEN III-specific decommissioning study and the fact that 15 years elapsed without the accrual of any decommissioning expense. (Ex. 200, pp. 38-39). Accordingly, OCA recommended the Commission conditionally approve a decommissioning accrual, using the Company's proposed cost estimate, amortized over 50 years, rather than WYGEN III's remaining life. OCA also recommended the Commission require the Company to perform a WYGEN III-specific decommissioning study for submission in its next general rate case. (Ex. 200, pp. 39-40). In the *Agreement*, the Parties stipulated to the Company's submission of a WYGEN III-specific decommissioning study its next general rate case. The Parties also agreed to permanently exclude $532,671 of WYGEN III decommissioning expense from the current and future general rate cases, not subject to true up. The resulting annual decommissioning expense included in rates is $86,242, which constitutes a $14,308 reduction to the revenue requirement. (Joint Ex. A, at 8).

Capital Additions and Customer Growth

32. MDU proposed inclusion of all capital additions projected to be complete by December 31, 2025, including the Big Horn to Sheridan Transmission Line. The Company did not, however, include growth-related capital projects and incremental customers and volumes in this Application. (Ex. 9, p. 19). OCA proposed excluding the Big Horn to Sheridan Transmission Line, including growth-related plant additions, and normalizing customer counts and usage over a three-year period for residential and small commercial service classes. (Ex. 200, pp. 4; 42). OCA stated this normalization approach provides a more representative measure of ongoing customer growth and usage than relying on a single test-year value. (Ex. 200, p. 10). In the *Agreement*, the Parties stipulated to the exclusion of the Big Horn to Sheridan Transmission Line, which experienced a delay in completion, and inclusion of growth-related capital projects and their associated incremental volumes and customers. (Joint Ex. A, at 6). The Company documented the details of this exclusion/inclusion in response to OCA Data Request 5.6. (Ex. 205, *passim*).

Aircraft and Aircraft Expense

33. MDU removed aircraft expenses not applicable to Wyoming electric operations and provided details of the aircraft expenses the Company proposed to include and exclude. (Ex. 9, p. 16). OCA acknowledged the Company excluded certain aircraft expenses and recommended inclusion of aircraft-related costs in the electric revenue requirement only if MDU demonstrates a clear ratepayer benefit. Absent such a showing, no aircraft-related plant or expenses should be recovered from Wyoming electric customers. (Ex. 200, p. 42). In the *Agreement*, the Parties stipulated MDU will document and demonstrate in future filings the cost effectiveness and benefit to Wyoming ratepayers of the Company's corporate aircraft expenses. Absent the documentation and demonstration, MDU agreed it will not seek recovery of any corporate aircraft-related plant or expenses in the next rate case. (Joint Ex. A, at 15).

Fuel and Purchased Power Expense

34. MDU proposed a reduction of $48,099 to Fuel and Purchased Power Expense based upon its pro forma generation and power purchase requirements. (Ex. 9, p. 9). OCA proposed an update to Fuel and Purchased Power Expense to account for incremental energy requirements associated with the inclusion of capital additions and customer growth as described above. (Ex. 200, p. 13). In the *Agreement*, the Parties settled upon an increase of $217,045 to this expense. (Joint Ex. A, at 8; Ex. 14, p. 6).

Board of Directors Liability Insurance Expense

35. MDU included the costs of various types of insurance coverage, including $25,076 for Board of Directors Liability Insurance. (Ex. 200, pp. 32-33). OCA recommended the Company split recovery of this expense with shareholders. OCA argued this insurance is to protect the Company's directors and officers from personal financial liability associated with actions taken in the course of their corporate duties. The OCA further argued that sharing this expense equally with shareholders ensures a fair allocation of costs and prevents ratepayers from bearing the full burden of an item not directly tied to utility service. (Ex. 200, pp. 32-33). In the *Agreement*, the Parties stipulated to a reduction of $12,358 to Board of Directors Liability Insurance Expense, which implements the sharing recommended by OCA. (Joint Ex. A, at 9).

Industry Dues

36. MDU included various industry-related dues within the Industry Dues category of O&M expense. OCA recommended the Commission disallow recovery of the dues associated with the Big Horn Lions Club and the Downtown Sheridan Association since these organizations do not directly support regulated utility operations. This resulted in a reduction of $303. (Ex. 200, pp. 33-34). In the *Agreement,* the Parties adopted OCA's position. (Joint Ex. A, at 9).

Pension Expense

37. MDU proposed an overall increase in benefits expense of $114,798, which included a $15,387 increase in pension expense. (Ex. 9, p. 12; Schedule G-1, Adjustment No. 6). OCA

recommended normalizing the Company's pension expense using a five-year average to determine a normalized pension expense. OCA argued this approach smooths the effects of short-term actuarial fluctuations and market-driven changes in pension plan performance, which ensures rates reflect a stable, long-term level of pension expense rather than temporary gains or losses that may not persist in future periods. (Ex. 200, p. 27). In the *Agreement*, the Parties stipulated to set pension expense at $0, which resulted in a reduction of $20,570. The Parties agreed that the intent was not to remove pension expenses from future cases but to reach an agreeable pension expense value in the current case. (Joint Ex. A, at 9).

Regulatory Commission Expense

38. MDU proposed to include $306,595 of expense associated with this Application in its regulatory expense account. The Company proposed a three-year amortization period resulting in an annual expense of $102,198. (Ex. 200, p. 34). OCA recommended a total rate case expense of $193,236 amortized over four years resulting in an annual expense of $48,309. OCA argued this amount is a more accurate representation of the costs associated with this rate case. (Ex. 200, p. 35). OCA further argued a four-year amortization period is justified given the Company's historical rate case cadence. (Ex. 200, p. 37). In the *Agreement*, the Parties stipulated to a total rate case expense of $176,506 amortized over two years, resulting in an annual expense of $88,253. (Joint Ex. A, at 9).

Class Cost of Service and Rate Design

39. MDU proposed a Class Cost of Service and Rate Design based upon a class cost of service study (CCOSS) developed by Atrium Economics. The Company stated its consultant developed the CCOSS based upon cost causation principles using a three-step process involving functionalization, classification, and allocation. (Ex. 11, pp. 6-7). OCA did not take issue with the CCOSS or the parity ratio analysis the Company used to reduce overall rate shock and mitigate interclass subsidization in developing rates. (Ex. 201, pp. 32-33). OCA did not express concern with the Company's overall approach to rate development but did propose an alternative rate design more in line with the CCOSS. (Ex. 201, p. 35). In the *Agreement*, the Parties stipulated to several adjustments to the overall Rate Design which are more aligned with the Company's CCOSS. (Joint Ex. A, at 11-13). Specifically, the Parties agreed to adopt the Company's proposed Basic Service Charge for Rate 11 and to adjust the fixed rates and demand charges for Rate 37 Primary and 39 Secondary. The Parties further adjusted the energy rates to reflect the stipulated revenue requirement. (Ex. 207, p. 7).

Principles of Law

40. The Commission has the "general and exclusive power to regulate and supervise every public utility within [Wyoming] in accordance with the provisions of [the Wyoming Public Utilities Act]." Wyo. Stat. § 37-2-112.

41. The Commission's overriding obligation is to reach a decision that is in the public interest. The Wyoming Supreme Court requires the Commission to "give paramount consideration to the public interest" in performing its duties, bearing in mind that "the desires of the utility are

secondary." *PacifiCorp v. Pub. Serv. Comm'n of Wyo.*, 2004 WY 164, ¶ 13, 103 P.3d 862, 867 (Wyo. 2004) (citation omitted).

42. The Commission's duty is to ensure just and reasonable rates as required under Wyoming Statute § 37-3-101:

> All rates shall be just and reasonable, and all unjust and unreasonable rates are prohibited. A rate shall not be considered unjust or unreasonable on the basis that it is innovative in form or in substance, that it takes into consideration competitive marketplace elements or that it provides for incentives to a public utility. … The commission may determine that rates for the same service may vary depending on cost, the competitive marketplace, the need for universally available and affordable service, the need for contribution to the joint and common costs of the public utility, volume and other discounts, and other reasonable business practices. ...

43. In determining just and reasonable rates, the Commission is free to develop a methodology for rates, so long as the results are fair, reasonable, uniform and not unduly discriminatory. *Mountain Fuel Supply Co. v. Pub. Serv. Comm'n of Wyo*., 662 P.2d 878, 883–85 (Wyo. 1983) (construing Wyo. Stat. § 37-3-101). Further, "discretion is vested in the PSC in establishing [a] rate-making methodology so long as the result reached is reasonable." *Union Telephone Co. v. Pub. Serv. Comm'n,* 821 P.2d 550, 563 (Wyo. 1991) (citing *Mountain Fuel Supply Co*., 662 P.3d 878 (Wyo. 1983)).

44. Several provisions in Title 37 give the Commission broad powers to inquire into a range of facts in a ratemaking proceeding. The "used and useful test" is articulated with other authority in Wyoming Statute § 37-2-119:

> In conducting any investigation pursuant to the provisions of this act the commission may investigate, consider and ***determine such matters as the cost or value, or both, of the property and business of any public utility, used and useful for the convenience of the public,*** and all matters affecting or influencing such cost or value, the operating statistics for any public utility both as to revenues and expenses and as to the physical features of operation in such detail as the commission may deem advisable; the earnings, investment and expenditures of any such corporation as a whole within this state, and as to rates in plants of any water, electrical or gas corporations, the geographical location thereof shall be considered as well as the population of the municipality in which such plant is located. (Emphasis added).

45. Wyoming Statute § 37-2-122(a) provides additional specific factors the Commission may consider in setting just and reasonable rates:

> In determining what are just and reasonable rates the commission may take into consideration availability and reliability of service, depreciation of plant, technological obsolescence of equipment, expense of operation, physical and other values of the plant, system, business and properties of the public utility whose rates

are under consideration.

46. Wyoming Statute § 37-3-119 addresses the apportionment of costs to Wyoming ratepayers. It specifically provides:

> In determining just and reasonable rates under this chapter for an interstate electric public utility where a portion of system costs are apportioned to Wyoming ratepayers, the public service commission shall exclude any system costs from rate determinations that do not have a benefit to ratepayers in Wyoming. Costs that may be excluded include the proportional costs associated with facilities that are built or operated primarily for the benefit of other states or entities outside of Wyoming. The public service commission may approve a reduced apportionment of costs to Wyoming ratepayers to the extent that system costs are used to serve Wyoming ratepayers but which relate to facilities that were built at a higher cost than potential alternative sources of electricity, as determined by the commission, because those alternative sources of electricity may not have met electricity service requirements established by other states or entities outside of Wyoming.

47. Wyoming Statute § 37-2-120 prohibits the Commission from making any order "which requires the change of any rate or service . . . unless or until all parties are afforded an opportunity for a hearing in accordance with the Wyoming Administrative Procedure Act," which establishes general procedures for Commission cases, including the provision of reasonable notice. Wyo. Stat. § 16-3-107; in accord are Wyo. Stat. §§ 37-2-201, 37-2-202, and 37-3-106. *See also*, Commission Rule Chapter 2, Sections 5 and 23.

48. "At any hearing . . . involving an increase in rates or charges sought by a public utility, the burden of proof to show that the increased rate or charge is just and reasonable shall be upon the utility." Wyo. Stat. § 37-3-106(a); *see also PacifiCorp v. Public Serv. Comm'n of Wyo., supra.* Where, as in the referenced statute, the evidentiary standard is not specifically stated, that burden can be met by the "preponderance of the evidence" standard customarily used in civil cases. *Willadsen v. Christopulos*, 731 P.2d 1181, 1184 (Wyo. 1987).

49. The Commission may approve a stipulation, or agreed-upon settlement, as a means of disposing of any matter coming before it at hearing pursuant to Commission Rule Chapter 2, Section 25 and Wyoming Statute § 16-3-107(n).

50. Approval of a stipulation has no effect on the Commission's authority to review and determine the adequacy of compliance filings related to such approval.

Findings of Fact

51. The Commission finds that the *Agreement* in whole, and each element thereof described in paragraphs 26 through 39, above, provides a reasonable resolution of the issues in this matter, results in just and reasonable rates, and is otherwise consistent with the public interest. The Commission further finds the Parties provided sufficient credible and persuasive evidence to support its approval.

52. The Commission finds that Rates 38 and 123, an Interruptible Large Power Demand Response Rate available to customers with 500 kilowatts (kW) demand or more and with at least 75% of load subject to interruption for up to 100 hours annually and an optional billing arrangement allowing customers with multiple premises to consolidate billings under one account, respectively, provides MDU and its customers beneficial flexibility and convenience. Service under these new rates will not result in any detriment to customers served under other rates.

53. The Commission finds that the tariff changes proposed by MDU, not specifically contested by OCA, and reflected in the Final Tariffs submitted as Joint Exhibit H in support of the *Agreement* are consistent with the public interest.

54. The Commission, therefore, approves the *Agreement* without modification. The Commission retains the right and obligation to review and determine the adequacy of compliance filings resulting from its approval of the *Agreement*.

Conclusions of Law

General

55. MDU is a Delaware corporation engaged in the business of supplying electric utility service to approximately 17,600 customers throughout the Big Horn, Buffalo, Colony, Cowley, Kaycee, Lovell, Powell, and Sheridan communities under certificates of public convenience and necessity issued by the Commission. MDU is a public utility subject to the Commission's jurisdiction. Wyo. Stat. §§ 37-l-101(a)(vi)(C) and 37-2-112.

56. The Commission provided public notice of these proceedings in accordance with the WAPA, Wyoming Statute § 37-2-203, and Commission Rule Chapter 2, Section 5. The Commission held and conducted the public hearing pursuant to Wyoming Statute §§ 16-3-107, 16-3-108, and 37-2-203 and applicable sections of the Commission's Rules. The Commission acknowledged OCA's intervention as a matter of right pursuant to Wyoming Statute § 37-2-402(a)(i).

Agreement

57. When the parties to a contested case proceeding reach a settlement, the Commission holds a public hearing to examine the terms of the agreement, the motivations of the parties, and the transparency of the process to determine whether the settlement is in the public interest. In such proceedings, the Commission seeks to understand the terms of the settlement, to ensure that it completely addresses the requirements of the case and includes all necessary determinations of fact required for subsequent proceedings. The Commission examines the motivations of the parties to review whether any aspect of the settlement has, by inattention or design, done a disservice to all or a subset of the utility's ratepayers. Any settlement must result in just and reasonable rates. The Commission also conducts other examinations as the public interest may require. The Commission can and does reject all or parts of a proposed settlement if it fails to serve the public interest.

Additional Provisions

58. The Commission shares the OCA's concern over MDU's failure to collect decommissioning expenses associated with the WYGEN III coal-fired electric generation facility over the past 15 years. As stated above, the Commission approved the provision of the *Agreement* relative to WYGEN III decommissioning expenses. The Commission, on its own motion, requires the Company to separately account for, and annually report, decommissioning costs recovered from customers as a line-item in its Wyoming Annual Report. The Commission directs the Company to consult Commission Staff developing exactly how this information will be presented in the annual reports.

59. The Parties met their respective burdens of proof and persuasion regarding this matter. A preponderance of the evidence supports the Commission's conclusions.

60. Any finding of fact or conclusion of law stated herein shall be recognized and serve as such regardless of its placement within this Order.

NOW THEREFORE, IT IS ORDERED:

1. Pursuant to the public hearing held on February 17, 2026, and public deliberations held on March 12, 2026, the Application of MDU for authority to increase its retail electric service rates, as modified by the *Stipulation and Agreement* (*Agreement*), is hereby approved effective for service rendered on and after April 1, 2026.

2. MDU shall separately account for, and annually report, WYGEN III decommissioning costs recovered from customers as a line-item in its annual report.

3. This *Memorandum Opinion, Findings and Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on April 30, 2026.

PUBLIC SERVICE COMMISSION OF WYOMING

(SEAL)

MICHAEL M. ROBINSON, Chairman

CHRISTOPHER B. PETRIE, Deputy Chairman

CHRISTOPHER BOSWELL, Commissioner

Attest:

IVAN H. WILLIAMS, Assistant Secretary

CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of April, 2026, a copy of the Commission's *Memorandum Opinion, Findings and Order* was sent via electronic mail or hand delivery to the following:

Travis R. Jacobson
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501
travis.jacobson@mdu.com

Greg Asay
Associated Legal Group, LLC
1812 Pebrican Avenue
Cheyenne, WY 82001
greg@associatedlegal.com

Allison Waldon
Senior Attorney
MDU Resources Group, Inc.
PO Box 5650
Bismarck, ND 58506
allison.waldon@mduresources.com

Jada Garofalo, Legal Counsel
Anthony Ornelas, Administrator
Justin Ballard, Deputy Administrator
Garrett Dietz, Analyst
Wyoming Office of Consumer Advocate
2515 Warren Ave., STE 304
Cheyenne, WY 82002
jada.garofalo@wyo.gov
anthony.ornelas@wyo.gov
justin.ballard@wyo.gov
garrett.dietz@wyo.gov

Elexess Overbey, Paralegal